

Message Text

CONFIDENTIAL

PAGE 01 STATE 206413

43

ORIGIN SCI-06

INFO OCT-01 EUR-25 ISO-00 OMB-01 AEC-11 INT-08 EB-11

ACDA-19 CIAE-00 INR-11 IO-14 L-03 NSAE-00 NSC-07

RSC-01 FEAE-00 /118 R

DRAFTED BY SCI/SA:GYOUNTS:LER

APPROVED BY SCI:NFSIEVERING

OMB:F.SCHULDT

EUR/CE:L.HEICHLER (IN DRAFT)

EUR/RPE:D.LAMB (IN DRAFT)

SCI/AE:JBLOOM (IN DRAFT)

AEC: J.GARRETT

----- 075504

P 191633Z SEP 74

FM SECSTATE WASHDC

TO AMEMBASSY BONN PRIORITY

C O N F I D E N T I A L STATE 206413

E.O. 11652: GDS

TAGS: TECH, GW

SUBJECT: OFFSET: RESEARCH AND DEVELOPMENT/URANIUM
ENRICHMENT

REF: (A) BONN 14599, (B) BONN 14249, (C) STATE 196183

1. REGRET DELAYED RESPONSE TO REF A, BUT FOLLOWING MAY
CLARIFY ISSUE.

2. AEC IN AUGUST 19-20 NEGOTIATIONS WITH FRG COVERED
SEVERAL PROPOSALS AND COUNTER PROPOSALS. SIMPLY STATED,
FRG PRESSING FOR ARRANGEMENT SIMILIAR TO THE FIRST OF
TWO EXECUTED UNDER PRIOR OFFSET AGREEMENT. AEC STATED
IT WOULD BE DIFFICULT TO AGREE TO THIS ARRANGEMENT BECAUSE
SUPPLY NO LONGER EXCEEDS DEMAND AS WAS CASE AT THAT TIME.
AEC PRESENTED SEVERAL COUNTER PROPOSALS, ALL REJECTED BY
FRG. FINALLY AEC DID SUGGEST AN ARRANGEMENT TO WHICH
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 206413

FRG AGREED TO GIVE FURTHER SERIOUS CONSIDERATION. UNDER

THIS ARRANGEMENT AEC WOULD UTILIZE THE PROVISIONS OF THE "URANIUM ENRICHMENT SERVICES CRITERIA" UNDER WHICH AEC MAY SUPPLY ENRICHING SERVICES ON SHORT NOTICE WHEN SUCH SERVICES ARE IN EXCESS OF ITS AVAILABLE CAPABILITY. DELIVERY WOULD BE COMPLETED PRIOR TO END FY75 AND FOLLOWING DELIVERY BY THE FRG OF THE RELATED QUANTITY OF FEED IN THE FORM OF URANIUM HEXAFLUORIDE. FRG GROUP AGREED TO GIVE THIS PROPOSAL SERIOUS CONSIDERATION UPON

ITS RETURN TO FRG BUT STILL EXPRESSING RESERVATIONS AND A STRONG PREFERENCE FOR THEIR OPENING PROPOSAL. THE BACK-UP DATA PROMISED BY AEC TO SUPPORT THEIR POSITION WAS PROVIDED TO HEIDENREICH (EURATOM-WASH.) AND JELINEK, NUKEM, WHICH WE UNDERSTAND WOULD BE PASSED TO TECHMIN. COPIES OF AEC MINUTES BEING POUCHED TO SCIATT, REG. NO. 1815838. AEC ALSO OFFERED TO CONSIDER ANY NEW FRG COUNTER PROPOSALS.

3. WE ARE AWAITING FRG RESPONSE TO THIS MOST RECENT PROPOSAL AND BELIEVE THESE GOOD FAITH NEGOTIATIONS ON URANIUM ENRICHMENT WHICH WE EXPECT TO ACHIEVE MUTUALLY ACCEPTABLE CONCLUSION SHOULD NOT EFFECT DISCUSSIONS ON DEVELOPING THE RESEARCH AND DEVELOPMENT PROGRAM LIST. TO DO SO WOULD ONLY RESULT IN FURTHER DELAY AND CAUSES US TO WONDER IF THE FRG IS SERIOUS IN WISHING TO PROMOTE THIS NEW CONCEPT TO ACHIEVE ITS POTENTIALLY MAXIMUM MUTUAL BENEFITS IN TECHNICAL, ECONOMIC, AND POLITICAL SECTORS. SUGGEST THE EMBASSY MAKE THE FOREIGN OFFICE AWARE WE ARE CONCERNED THAT THIS ISSUE IS BECOMING MORE COMPLEX THAN WE BELIEVE IS NECESSARY AND DO NOT WISH TO SEE IT BE ESCALATED INTO A CONFRONTATION.

4. IN VIEW THIS DEVELOPMENT REQUEST EMBASSY RECONFIRM SCHMIDT-KUESTER VISIT 25 SEPT. TO DISCUSS JOINT COAL TECHNOLOGY R&D (REF. B) AND URANIUM ENRICHMENT WITH CONNOR, AEC (REF.C), AND WHETHER HE CONVEYS OFFICIAL MINISTRY POSITION ON BOTH. KISSINGER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: URANIUM, RESEARCH & DEVELOPMENT AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 19 SEP 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: cunninfx
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE206413
Document Source: CORE
Document Unique ID: 00
Drafter: GYOUNTS:LER
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740263-0289
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740931/aaaaazxi.tel
Line Count: 98
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN SCI
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: (A) BONN 14599, (B) BONN 14249, (C), STATE 196183
Review Action: RELEASED, APPROVED
Review Authority: cunninfx
Review Comment: n/a
Review Content Flags:
Review Date: 09 MAY 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 MAY 2002 by cunninfx>; APPROVED <10 MAR 2003 by cunninfx>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: OFFSET: RESEARCH AND DEVELOPMENT/URANIUM ENRICHMENT
TAGS: TECH, GE, US
To: BONN
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005